



Health Reform Implementation

WCSAP Webinar, March 5, 2013

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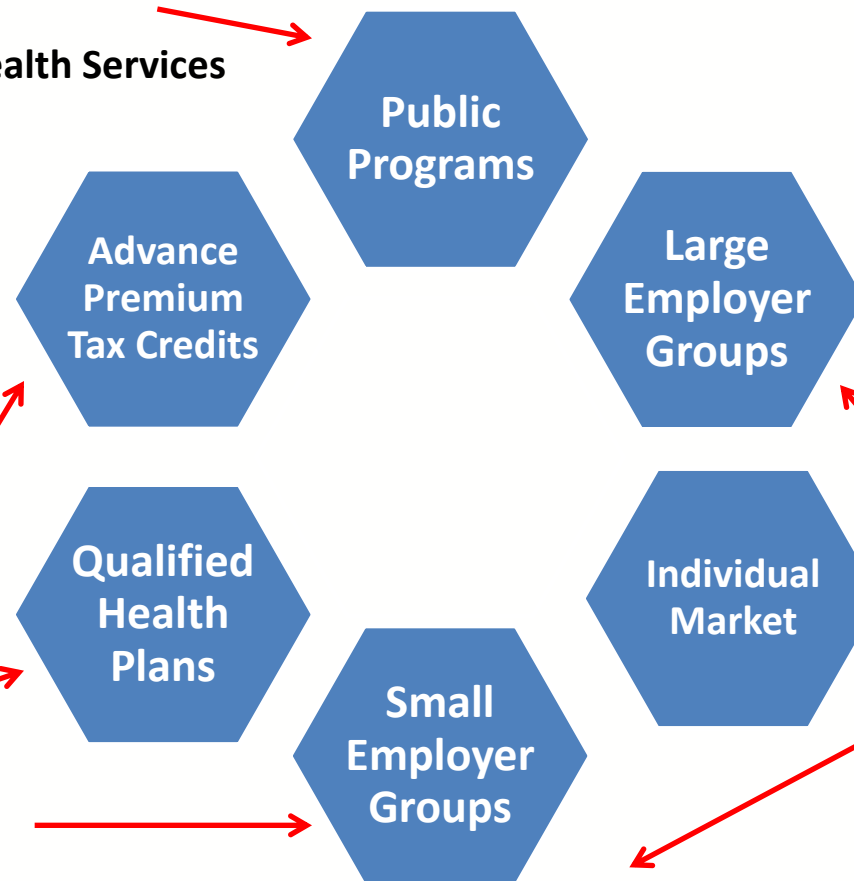
Topics for Today

- Introduction to the Health Care Authority
- Affordable Care Act (ACA) Coverage Opportunities
- ACA Coverage in Washington State
 - Streamlined Public Programs
 - Simplified Enrollment Process
 - Consumer Assistance Available
 - Benefits for Medicaid Adults
 - Potential Impact on the Uninsured
- The Work Ahead

Introduction to the HCA

Washington Insurance Options

**Health Care Authority and
Department of Social & Health Services**
<http://www.hca.wa.gov/>



Health Benefit Exchange
<http://wahbexchange.org/>

**Office of the
Insurance
Commissioner**
<http://www.insurance.wa.gov/>

HCA: Mission

Health care purchasing for:

- low-income families and individuals, and
- state employees, retirees, and their dependents

HCA: Vision

Timely, affordable, evidence-based care in an appropriate venue, with improved value for the purchaser & consumer

- Organized systems of care with clear accountability for costs and outcomes
- Consumer-centric integration of medical, behavioral health and long-term services and support
- Informed consumer choice with access to qualified providers and increased personal responsibility for health
- Balance between prescriptiveness and innovation
- Public-private partnerships to adopt shared best practices
- Broad-based use of health information technology

HCA: Organization



- 1,055 FTEs
- Headquarters: Cherry Street Plaza, 626 8th Avenue SE, downtown Olympia
- Chief Medical Officer: under recruitment
- Administration: 10 divisions

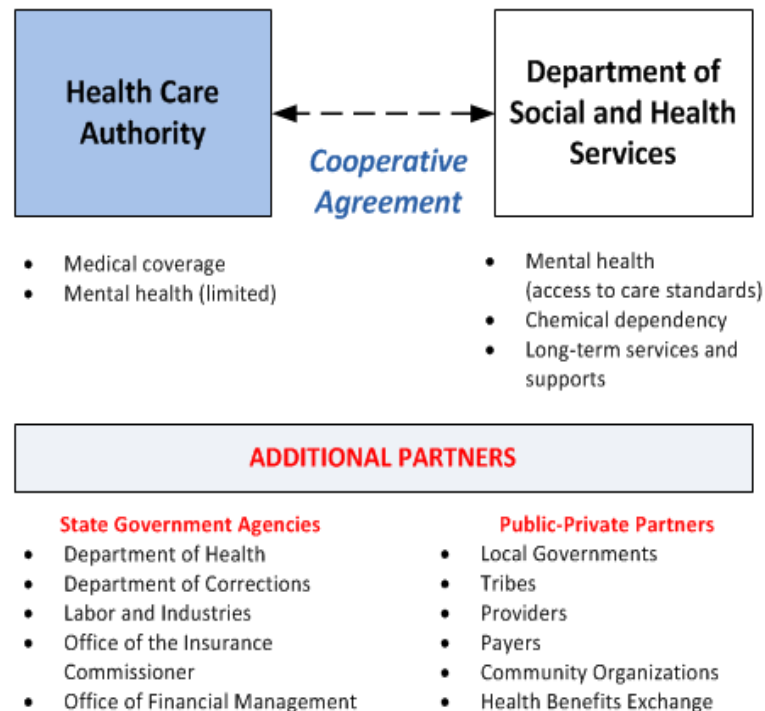
1. Public Employees Benefits
2. Communications
3. Eligibility Policy and Service Delivery
4. Employee Support Services
5. Enterprise Technology Services
6. Financial Services
7. Health Care Policy
8. Health Care Services
9. Legal and Administrative Services
10. Program and Payment Integrity

2011 Medicaid-HCA Merger

GOAL:

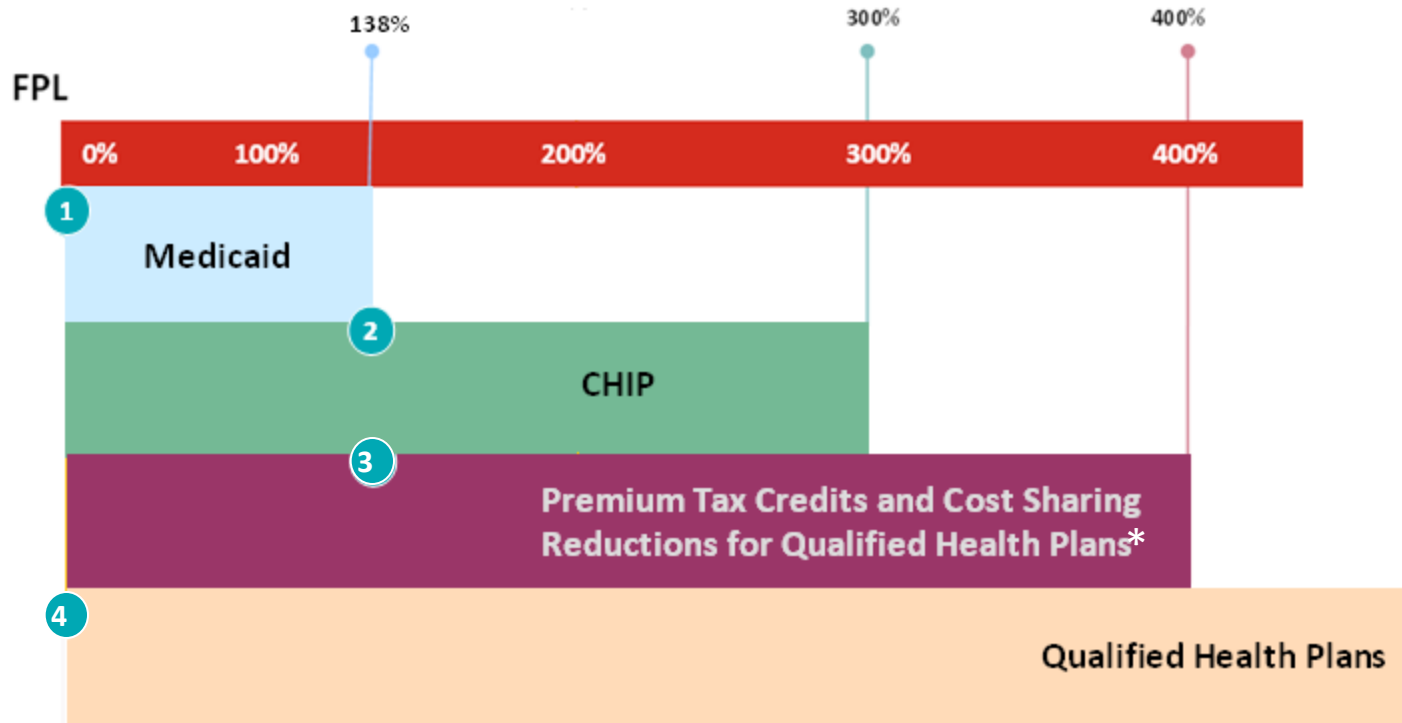
Leverage effective purchasing strategies and prepare for 2014 national health reform

Washington's "Single State Medicaid Agency"



ACA Coverage Opportunities

2014 ACA Continuum of Coverage “Insurance Affordability Programs”



* Federal Basic Health Plan Option for individuals with incomes between 138% and 200% of the FPL will not be available in 2014.

The Supreme Court Decision

A divided Supreme Court ruled that:

- **The Affordable Care Act (ACA) requirement for individuals to have insurance or pay a tax penalty is constitutional.**
- **States can choose not to expand Medicaid to cover all state residents under 133% FPL*, without risking federal funding for their entire Medicaid program.**

“The Affordable Care Act’s requirement that certain individuals pay a **financial penalty for not obtaining health insurance may reasonably be characterized as a tax.** Because the Constitution permits such a tax, it is not our role to forbid it, or to pass upon its wisdom or fairness.”

– *Chief Justice Roberts in Majority Opinion*

“In this case, the financial ‘inducement’ Congress has chosen is **much more than ‘relatively mild encouragement’**—it is a gun to the head.”

– *Chief Justice Roberts in Majority Opinion*

* The ACA’s “133% of the FPL” is effectively 138% of the FPL because of a 5% across-the-board income disregard

The Decision's Implications for Medicaid

States May Opt Out of Medicaid Expansion



The Balance of ACA Medicaid Provisions Stand

- **Simplification of Eligibility**
- **Streamlining of Existing Programs**
- **Maintenance of Effort**
- **Drug Rebates in Medicaid Managed Care**
- **DSH Payment Reductions**
- **Delivery System Reform**
- **Primary Care Rate Increase**

2014 Medicaid Coverage

- Option to expand Medicaid to 138% of the FPL for adults under age 65 not receiving Medicare*
 - **MAGI methodology** defines how income is counted, and how household composition and family size are determined
 - **MAGI** will determine eligibility for children, pregnant women, parents and all adults in the new adult category
- Current Medicaid eligibility standards still apply to aged, blind, disabled, SSI, and foster children
 - **ACA does not impact these groups**
- Washington's new adult group will include:
 - **Childless adults** with incomes below 138% of the FPL
 - **Parents** with incomes between ~40% and 138% of the FPL

* The ACA's "133% of the FPL" is effectively 138% of the FPL because of a 5% across-the-board income disregard

2013 Federal Poverty Levels

Federal Poverty Level	Annual Income: Individual	Annual Income: Family of 3
100%	\$11,490	\$19,530
133%	\$15,282	\$25,975
138%	\$15,856	\$26,951
200%	\$22,980	\$39,060
300%	\$34,470	\$58,590
400%	\$45,960	\$78,120

Source: <http://aspe.hhs.gov/poverty/13poverty.cfm>

Enhanced Federal Funding for New Medicaid Adults


- Newly eligible parents and childless adults are:
 - under 65 years old
 - not pregnant
 - not entitled to Medicare
 - not in an existing Medicaid category (e.g. children, pregnant women, aged, blind and disabled)






- Enhanced federal funding for costs of newly eligible adults:

	2014	2015	2016	2017	2018	2019	2020 +
State Share	0%	0%	0%	5%	6%	7%	10%
Federal Share	100%	100%	100%	95%	94%	93%	90%

Qualified Health Plans

- **Qualified Health Plans (QHPs) will be available to individuals and small employers in the Exchange**
- **The Exchange will:**
 - Set standards for QHPs
 - Certify participating plans, and
 - Rank plans from **bronze to platinum** to indicate what level of coverage the plan offers
- **QHPs must:**
 - Provide “Essential Health Benefits” (EHBs)
 - Ensure sufficient choice of providers
 - Be accountable for performance on clinical quality measures and patient satisfaction
 - Implement a quality improvement strategy
 - Provide accurate and standardized consumer information
 - Be a private health insurance plan
- **13 health insurance plans sent letters of intent to offer QHPs in individual market**
<http://wahbexchange.org/press/press-releases/washington-health-benefit-exchange-draws-interest-from-health-insurance-carriers/>



	Bronze – covers 60% of actuarial value of benefits
	Silver – covers 70% of actuarial value of benefits
	Gold – covers 80% of actuarial value of benefits
	Platinum – covers 90% of actuarial value of benefits
	Catastrophic – high-deductible plan for individuals up to age 30 or individuals exempted from the mandate to purchase coverage

Premium Tax Credits/Cost Sharing Reductions

Individuals up to 400% of the FPL who aren't eligible for Medicaid are eligible for advanced premium tax credits and cost sharing reductions, determined by an individual's income levels:

Premium Tax Credits:

Income Level	Premium as Percent of Income
Up to 133% FPL	2% of income
133-150% FPL	3-4% of income
150-200% FPL	4-6.3% of income
200-250% FPL	6.3-8.05% of income
250-300% FPL	8.05-9.5% of income
300-400% FPL	9.5% of income

Cost Sharing Reductions:

Income Level	Reduction in Out-of-Pocket Liability
100-150% FPL	94% of the actuarial value*
150-200% FPL	87% of the actuarial value
200-250% FPL	73% of the actuarial value

*Of the second lowest cost Silver plan

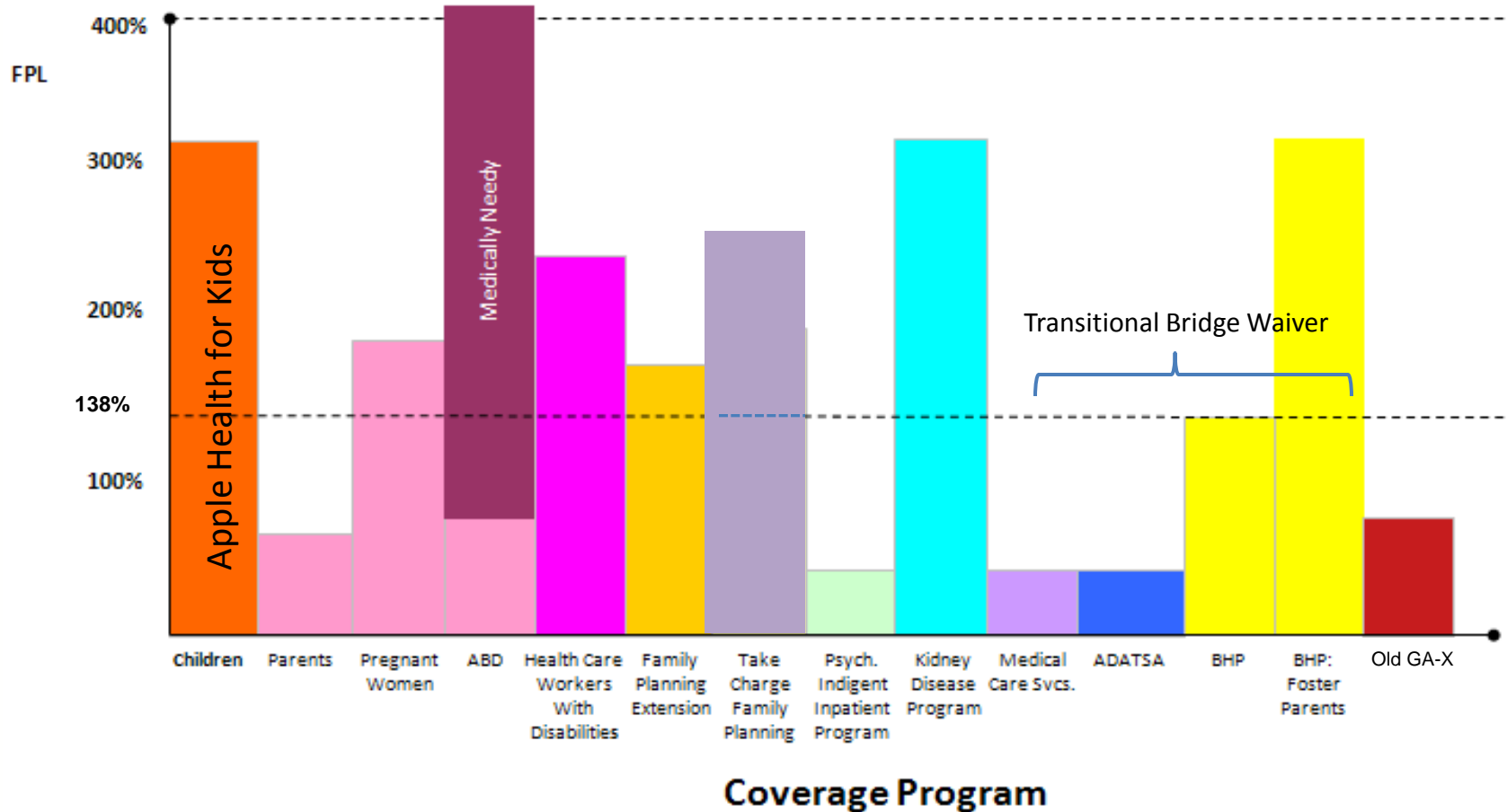
ACA Coverage in WA

Health Care Reform Goals

- Optimize opportunities to streamline administrative processes
- Leverage new federal financing opportunities to ensure the Medicaid expansion is sustainable
- Maximize use of technology to create consumer-friendly application/enrollment/renewal experience
- Maximize continuity of coverage & care as individuals move between subsidized coverage options
- Reform the Washington Way --- comply with, or seek waiver from, specific ACA requirements related to coverage and eligibility, as needs are identified

Streamlined Public Programs

Today's Washington Public Programs

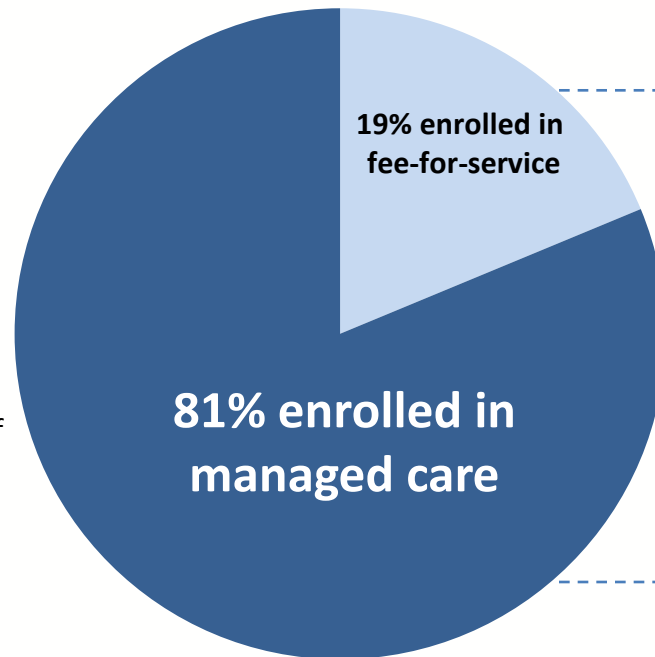


Public Program Coverage Today

- Different populations covered at different eligibility levels:
 - **Children: 300%** of the Federal Poverty Level (FPL)
 - **Pregnant Women: 185%** of the FPL
 - **Parents: ~40%** of the FPL
 - **Aged, Blind and Disabled: ~75%** of the FPL
 - **Childless Adults: NO** Medicaid coverage (limited to Transition Bridge waiver)

Delivery Systems for Medical Benefits

Just over 1 million beneficiaries receive their full medical coverage from Medicaid
(excludes duals, partial duals, family planning-only and alien emergency medical.)



Current Health Plans

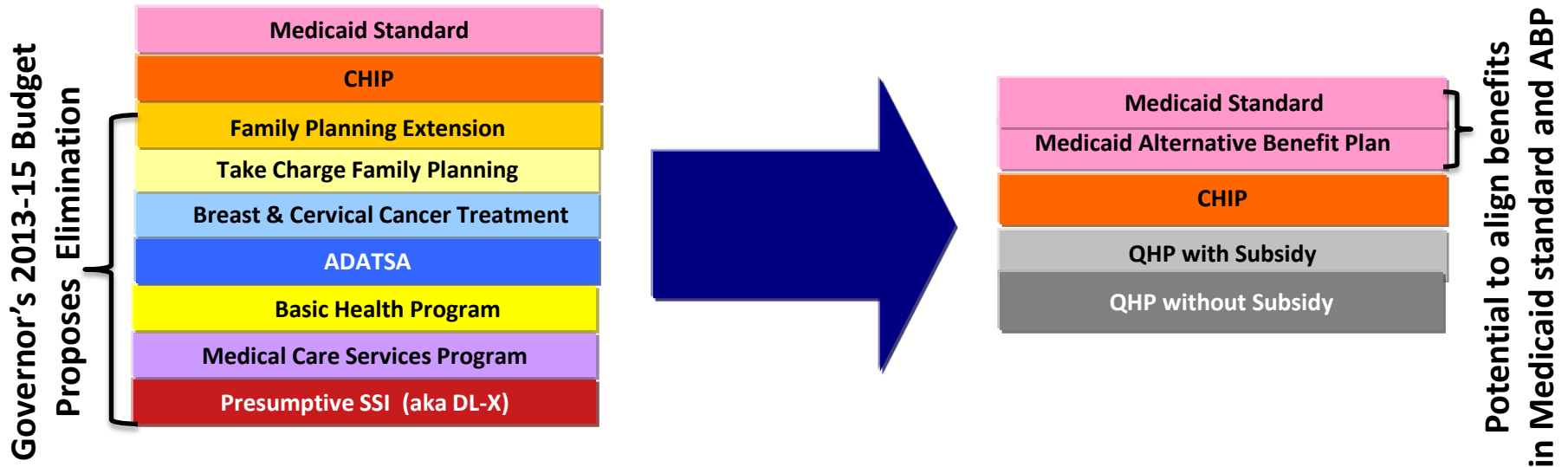
- Amerigroup
- Community Health Plan of Washington (CHPW)
- Coordinated Care
- Molina Healthcare
- UnitedHealth

	FFS	Managed Care
Adults	64,893	220,516
Children	124,582	600,944

Source: Medicaid Assistance Eligible Persons Report – *Preliminary* December Enrollment; Basic Health Monthly Enrollment December 2012

Opportunity to Streamline Programs

2014 Coverage Continuum through
Insurance Affordability Programs (IAP)

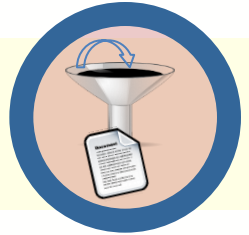


Streamlining considerations – numbers affected,
access/continuity of coverage through IAP continuum,
administrative complexity, transition timing

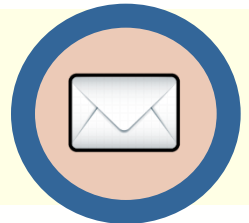
Simplified Enrollment Process

One Application Process

Single and streamlined: Single application for all Insurance Affordability Programs (Medicaid/CHIP, BHP, APTC/CSRs) and QHPs



Accepted via: website, phone, mail, in-person, and other common electronic means

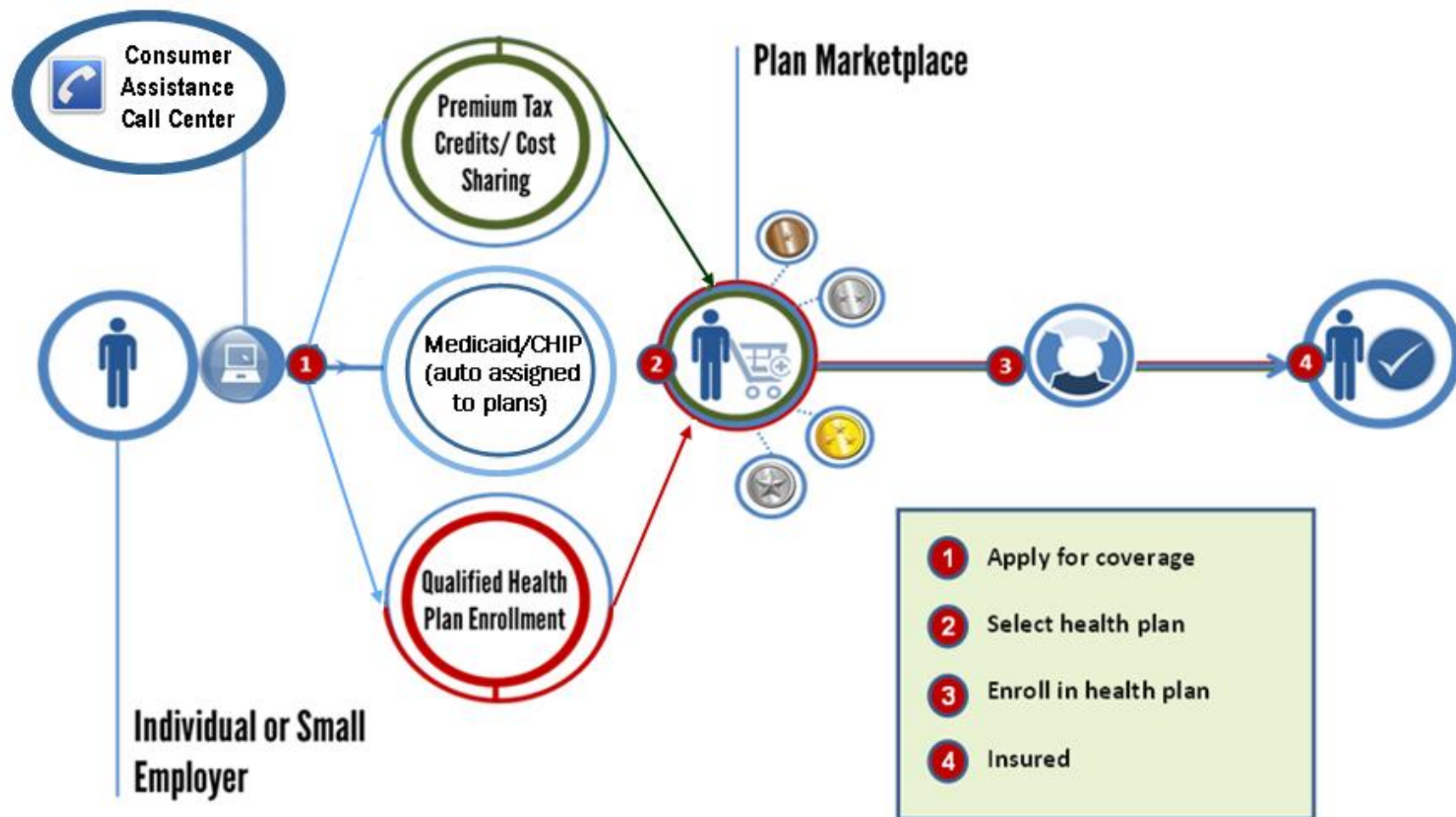


Federally-approved: State-alternative form must be approved by HHS and be no more burdensome than HHS form




The Exchange: Doorway to Coverage

Think: Amazon.com or Expedia... a simple way to shop for health insurance



Washington Healthplanfinder



Find the Right Health Insurance for You

Welcome Washington residents! The Washington Health Benefits Exchange offers quality, affordable coverage options to Washington families. Shop, compare, and enroll right here. It's your health, be there!

[Find a New Health Care Plan](#)

[Renew An Existing Plan](#)

SEE HOW THE MENDEZ FAMILY SIGNED UP FOR HEALTH INSURANCE...

Employer-sponsored Coverage

If your Employer has offered you coverage through this exchange, click here to learn about coverage options for you and your family.

[Enroll Through Your Employer >](#)

Enroll Through Your Employer For small business owners seeking to offer quality, affordable coverage to their Washington employees click

Click. Compare. Covered.

The Exchange is Here! ariO is uninsured. He needed to go to the doctor. A friend referred him to the Washington Exchange. He found coverage that was right for him. Now he is insured and healthy.

[Click Here to Learn Eries Story >](#)

INSURANCE PLANS AVAILABLE IN WASHINGTON

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Washington Healthplanfinder

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 **washington healthplanfinder**
click. compare. covered.

1 Create Account **2** Select Plan **3** Notify Employees **4** Confirm & Pay **5** Enrollment Complete


Company Information * REQUIRED FIELD

COMPANY LEGAL NAME * 

Bagel shop

DO YOU HAVE AN EMPLOYER IDENTIFICATION NUMBER (EIN)? * 




☒ YES ☐ NO

WHAT IS YOUR EMPLOYER IDENTIFICATION NUMBER (EIN)? * 

12-3344555

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FIND US ON:   

Consumer Assistance Available

Consumer Assistance

To reach uninsured Washington residents, the state will rely on:



Navigators, Agents and Brokers: will provide help to consumers and small businesses with enrolling into coverage on the Exchange; provide advice to consumers about their enrollment options and premium tax credits; and make referrals of complex cases to Consumer Assistance Programs



Community-Based Organizations: Continued partnership with existing community-based network



Call Center: Toll-Free Hotline operated by the Exchange to provide insurance application assistance

Community-Based Organizations

CBOs can assist with outreach to Washington State residents such as:

- **New applications:**
 - Assist individuals in applying for health care coverage through the new health benefit exchange web portal. **Target Newly Eligible Adults** age 19-64 with income up to 138% FPL.
- **Transitions from other coverage:**
 - Support current Basic Health members as they use the new Washingtonhealthplanfinder portal (Oct-Dec 2013) to transition to coverage for January 2014
 - Follow up with Medical Care Services and ADATSA clients regarding their automatic conversion to coverage beginning January 2014
- **Renewals of Medicaid coverage:**
 - Encourage/assist current Medicaid recipients (children, parents, pregnant women) who must renew coverage using the Washingtonhealthplanfinder portal during 2014 (and beyond)

Navigator Program Timeline

January-March

- Board Approval
- Issue RFP

April-June

- Select Navigator Organizations
- Contracting

July-September

- Train-Certify Navigators
- Coordinate/train partner

October-December

- Open Enrollment
- Performance Monitoring



Benefits for Medicaid Adults

Benefits for Newly Eligible Medicaid Adults

- Called Alternative Benefit Plan (aka Medicaid Benchmark)
- Benefits for new adults must:
 - Cover all 10 essential health benefits (EHBs) as defined for Medicaid (may be different from Health Benefits Exchange)
 - Meet mental health parity (currently applies to private health plans and Medicaid managed care but not fee-for-service)
 - Cover non-emergency medical transportation
 - Cover Early Periodic Screening, Diagnosis and Treatment (EPSDT)
- Benefits for new adults may:
 - Align with existing Medicaid benefit package
 - Differ for different eligibility groups
- Strawman -

Essential Health Benefits

1. Ambulatory services
2. Emergency services
3. Hospitalization
4. Maternity and newborn care
5. Mental health and substance use disorder services, including behavioral health treatment
6. Prescription drugs
7. Rehabilitative and habilitative services and devices
8. Laboratory services
9. Preventive and wellness services and chronic disease management
10. Pediatric services, including oral and vision care

http://www.hca.wa.gov/me/documents/alternative_benefit_plan_strawman020713.pdf

Problem - Multiple ABPs for Adults



Consumers

Potential for fewer benefits to be covered by current Medicaid standard creates equity issue and confusion over care covered when circumstances change Medicaid enrollee's income



Providers

Service delivery and payment confusing if coverage for Medicaid adults differs between Medicaid standard and the ABP



Health Plans

Tracking and communicating benefit changes to enrollees (and their providers) increased and complex; provider payments confused when adult status *within* Medicaid changes; rate development more difficult

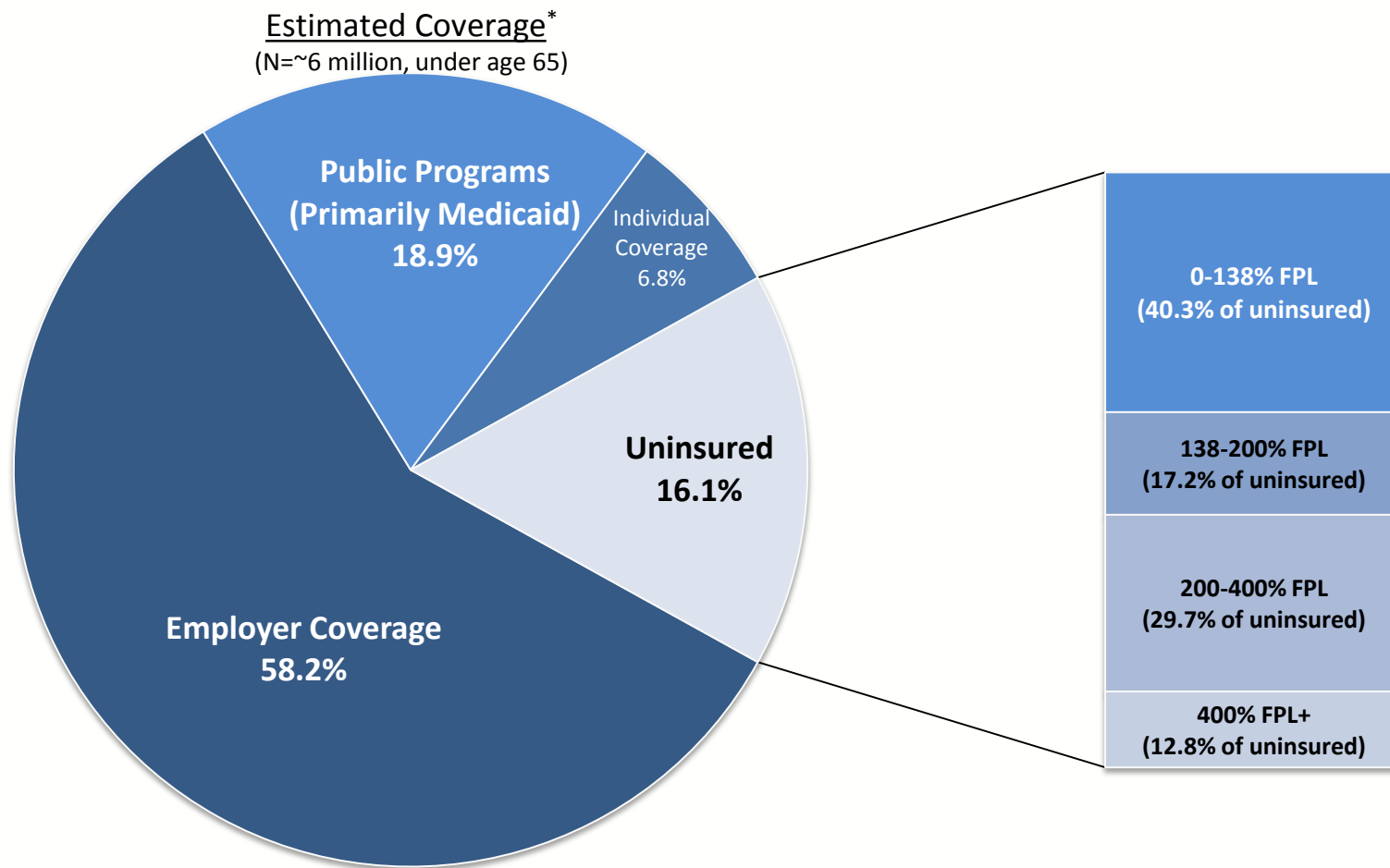


State/Federal Governments

Systems interfaces and administration complicated when adult status *within* Medicaid changes (e.g., increased tracking and monitoring; challenging communication to beneficiaries, providers and health plans; complex payments and reconciliation)

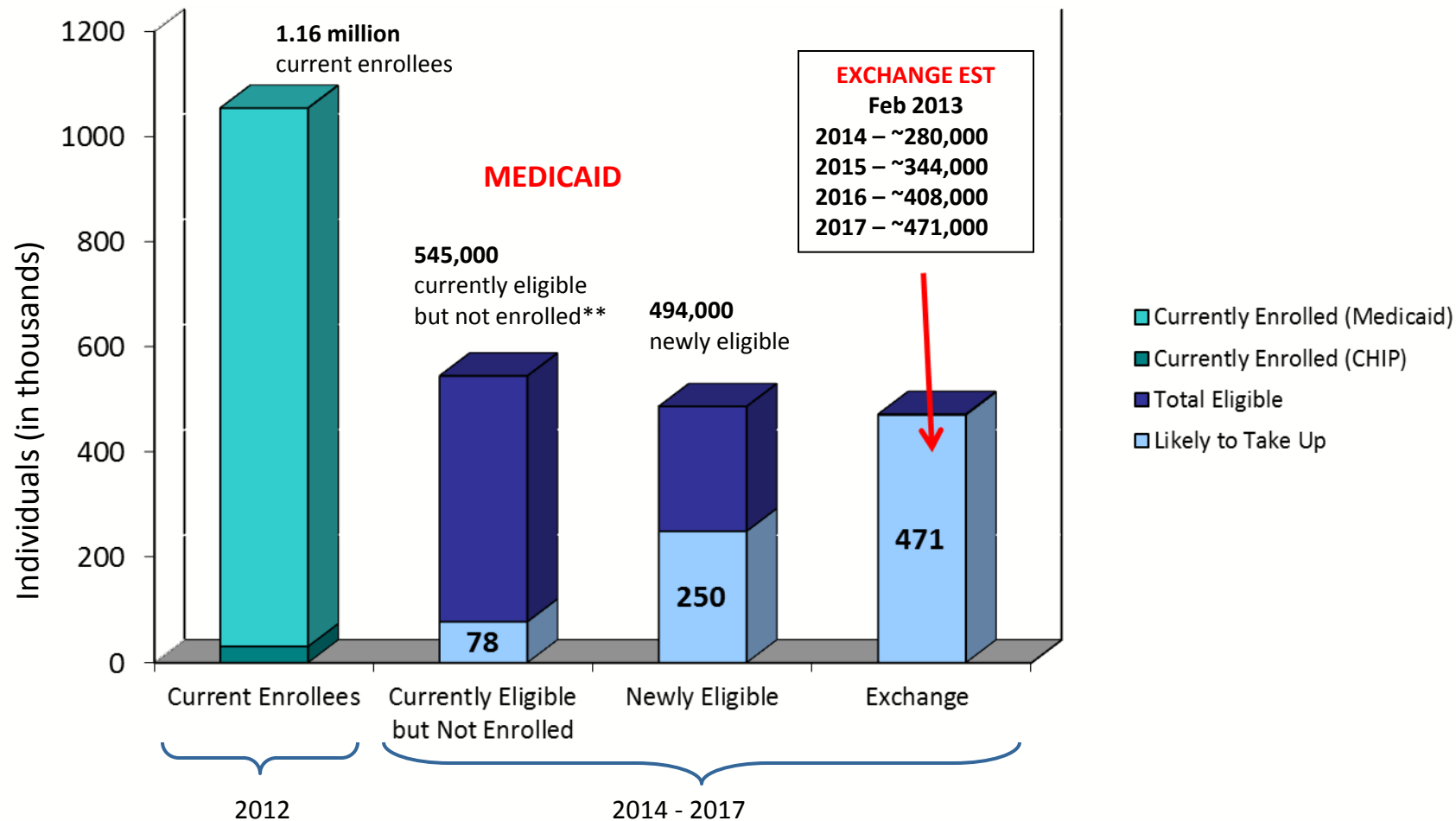
Potential Impact on the Uninsured

Pre-Implementation of the ACA: Primary Source of Insurance in Washington State, 2011



* Source: OFM Estimates from 2011 Single-Year American Community Survey PUMS - includes individuals under age 65

Post-Implementation of the ACA: Subsidized Coverage Landscape in Washington



Note: Analysis forecast assumes full take up rate and the ACA was in effect in 2011.

**Includes individuals who have access to other coverage (e.g., employer sponsored insurance). Sources: The ACA Medicaid Expansion in Washington, Health Policy Center, Urban Institute (May 2012); The ACA Basic Health Program in Washington State, Health Policy Center, Urban Institute (May 2012); Milliman Market Analysis; and Washington Health Care Authority for Medicaid/CHIP enrollment.

Health Status of Likely New Medicaid Enrollees

New Medicaid Enrollees Report Good Health Overall

	Eligibility of Projected New Enrollees					
	Currently Eligible, Not Enrolled		Newly Eligible		Total	
	N	%	N	%	N	%
Total	77,913	100.0%	250,308	100.0%	328,221	100.0%
Health Status						
Excellent - Good	58,726	75.4%	180,407	72.1%	239,133	72.9%
Fair - Poor	19,187	24.6%	69,901	27.9%	89,088	27.1%

Source: Urban Institute Analysis of Augmented WA State Database

Age of Likely New Medicaid Enrollees

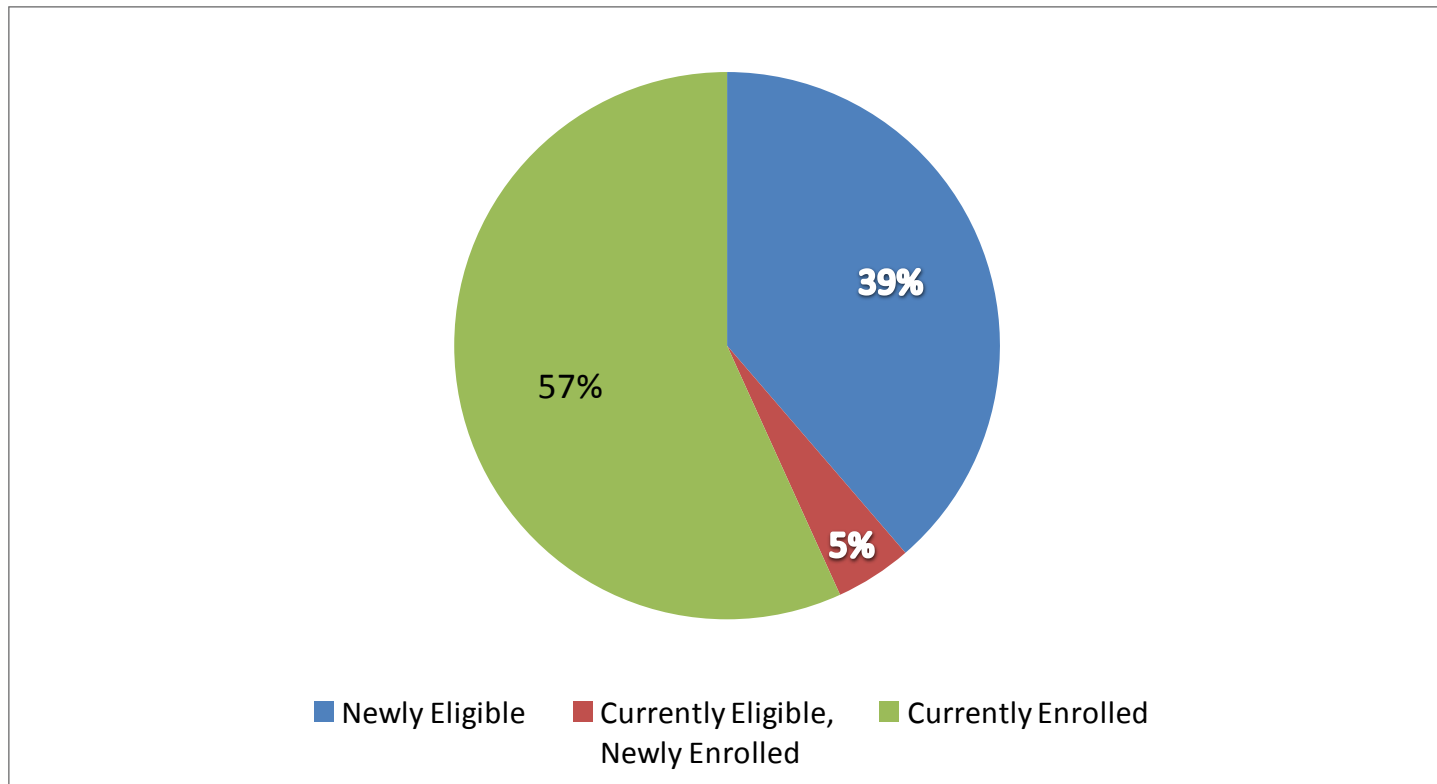
Newly Eligible New Enrollees are Almost All Adults

	Eligibility of Projected New Enrollees					
	Currently Eligible, Not Enrolled		Newly Eligible		Total	
	N	%	N	%	N	%
Total	77,913	100.0%	250,308	100.0%	328,221	100.0%
Age						
0 – 18 years	49,115	63.0%	5,512	2.2%	54,627	16.6%
19 - 24 years	2,400	3.1%	80,037	32.0%	82,437	25.1%
25 - 44 years	23,281	29.9%	75,553	30.2%	98,834	30.1%
45 - 64 years	3,117	4.0%	89,206	35.6%	92,323	28.1%

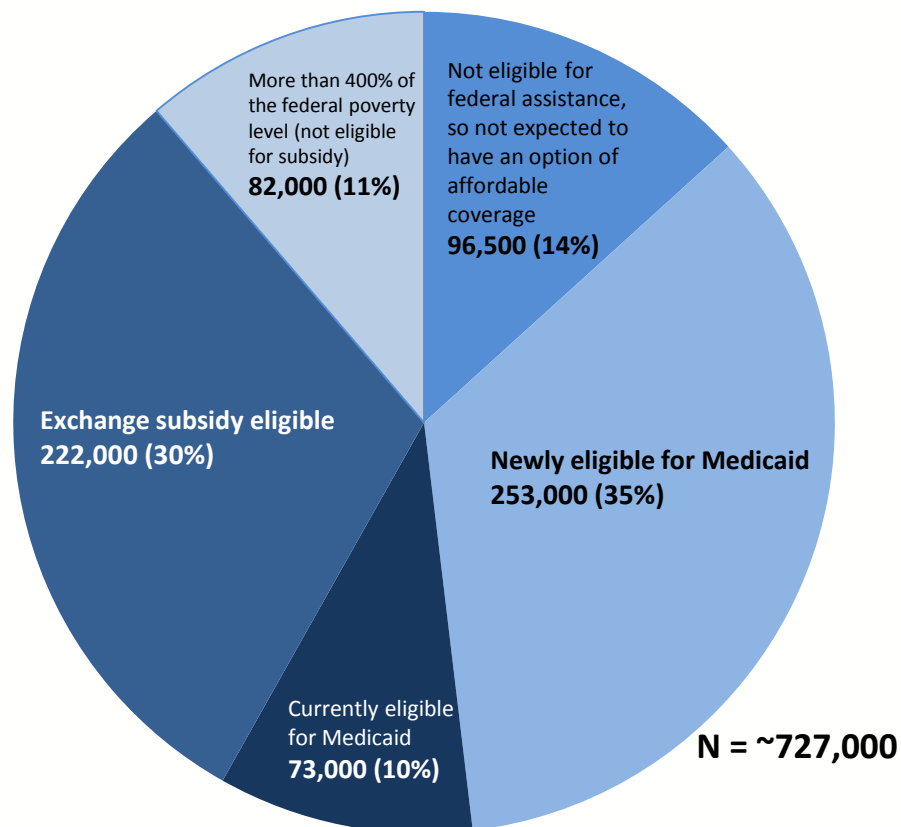
Source: Urban Institute Analysis of Augmented WA State Database

Post-Implementation of the ACA: Medicaid Enrollment of Nonelderly Adults

With Large Growth in Enrollment, Average Costs Decline
Reform: 633K Enrollees, Avg. Cost \$7,293
(Baseline: 359K Enrollees, Avg. Cost \$7,906)



~85% of Washington's uninsured adults will have access to affordable coverage under full implementation of the ACA








Source: Urban Institute Analysis of Augmented WA State Database

Uninsured Groups Remain

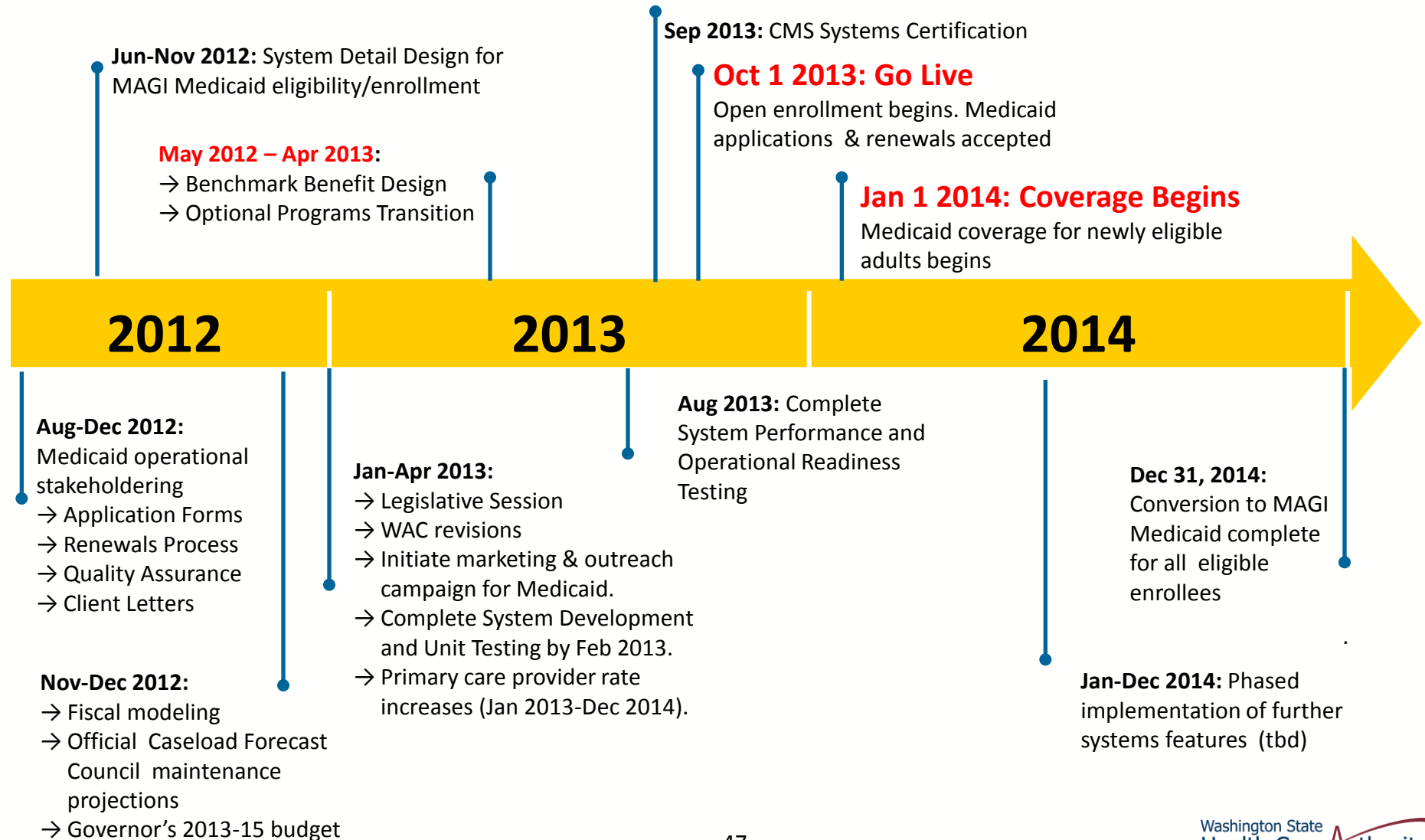
- Undocumented immigrants
- Individuals exempt from the mandate who choose to not be insured (e.g., because coverage not affordable)
- Individuals subject to the mandate who do not enroll (and are therefore subject to the penalty)
- Individuals who are eligible for Medicaid but do not enroll

Access to Care

- OFM survey of primary care physicians in WA state show that:
 - ~ 90% of PCPs provide care for some patients covered by Medicaid
 - ~ 80% of PCPs accepting new patients
-  ~30% of this group not including new Medicaid clients
 -  Just over 20% reported all their new patients could be Medicaid
- Reports available include:
 - Characteristics and distribution of current primary care physicians
 - http://www.ofm.wa.gov/healthcare/deliverysystem/2011_PCP_survey_frequency_report.pdf
 - Availability of Primary Care Physicians to Serve the Medicaid Expansion
 - <http://www.ofm.wa.gov/researchbriefs/2012/brief065.pdf>
 - Washington State Primary Care Nurse Practitioner Survey
 - http://www.ofm.wa.gov/healthcare/deliverysystem/2012_NP_survey_frequency_report.pdf
-  Primary care physician rate increases (2013 - 2014) <http://www.hca.wa.gov/acarates>
 -  OIC health plan network assessment includes essential community providers
 -  HPSA (health care professional shortage areas) concerns remain

The Work Ahead

Timeline: Much Work to be Done!



Washington's Continuing Challenge

- Medicaid delivery system silos
 - Managed care, fee-for-service
 - County-based behavioral health
 - Dual-eligibles
 - Long-term services and supports
- Fragmented service delivery and lack of overall accountability
- Service needs and risk factors overlap in high-risk populations
- Incentives and reimbursement structures not aligned to achieve outcomes
- Existing design not sustainable

Links to More Information

- Web-sites: <http://www.hca.wa.gov/>
 - For information about the Medicaid expansion:
<http://www.hca.wa.gov/hcr/me>
 - For information about the Health Benefit Exchange:
<http://wahbexchange.org/>
 - To contact the HCA concerning the Medicaid expansion:
medicaidexpansion2014@hca.wa.gov
- Webinars and presentations around the state
 - See upcoming schedule and past events at:
<http://www.hca.wa.gov/hcr/me/stakeholdering.html>
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Questions?